

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon.	
	:		
v.	:	Crim. No.	
	:		
ANTHONY BIANCO and	:	18 U.S.C. §§ 371, 1341, 1343,	
KEITH MOODY	:	1344 & 2	
	:	26 U.S.C. § 7201	

I N D I C T M E N T

The Grand Jury in and for the District of New Jersey,
sitting in Newark, charges:

COUNT ONE
(Conspiracy to Commit Mail and Wire Fraud)
(All Defendants)

1. At various times relevant to this Indictment:

a. Wellesley Services, LLC ("Wellesley Services"), a New Jersey limited liability company, and Wellesley Group, Inc. ("Wellesley Group"), both with offices at 75 Chestnut Ridge Road, Montvale, New Jersey (the "Montvale location"), were purportedly engaged in the business of purchasing, consolidating and reselling solid waste disposal companies;

b. Wellesley Energy, LLC ("Wellesley Energy"), a New Jersey limited liability company, with offices at the Montvale location, was purportedly engaged in the business of purchasing, consolidating and reselling home heating oil distribution companies;

c. Consolidated Transport America, LLC ("Consolidated Transport"), a New Jersey limited liability

company, with offices at the Montvale location, was purportedly engaged in the business of purchasing, consolidating and reselling freight transportation companies;

d. Windham Associates, Inc. ("Windham"), a New Jersey corporation with an address at the Montvale location, purported to provide business services to Wellesley Services, Wellesley Energy and Consolidated Transport;

e. Windham Investment Associates, Inc. ("Windham Investment"), a New Jersey corporation, owned the Montvale location;

f. Marcus Industries, Inc. ("Marcus"), a New Jersey corporation with an address at the Montvale location, purported to provide business services to Wellesley Services;

g. Thomas Giacomaro ("Giacomaro"), who is named as a co-conspirator but not as a defendant herein, was a convicted felon who formed and secretly held de facto control over the operations of Wellesley Services, Wellesley Group, Wellesley Energy, Consolidated Transport, Windham, Windham Investment, and Marcus (hereinafter referred to collectively as "the Wellesley Entities"), while serving in a public capacity as their "advisor and consultant";

h. Defendant ANTHONY BIANCO was the owner and sole shareholder of AKB Associates, Inc., a New Jersey corporation located in Paterson, New Jersey, and held the following positions at the Wellesley Entities:

i. Managing Member, Co-Chairman of the Board of Directors, Executive Vice President, Secretary, and Chief Financial Officer of Wellesley Services;

ii. Director, Executive Vice President, Secretary, and Treasurer of Wellesley Group;

iii. Managing Member of Wellesley Energy;

iv. Managing Member of Consolidated Transport;

v. Windham shareholder;

vi. Windham Investment shareholder; and

vii. Marcus shareholder;

i. Defendant KEITH MOODY was the owner and sole shareholder of SRM Associates, Inc., a New Jersey corporation located in Franklin Lakes, New Jersey, and held the following positions at the Wellesley Entities:

i. Managing Member, Co-Chairman of the Board of Directors, and President and Chief Executive Officer of Wellesley Services;

ii. Chairman of the Board of Directors and President of Wellesley Group;

iii. Managing Member of Wellesley Energy;

iv. Managing Member of Consolidated Transport;

v. Windham shareholder;

vi. Windham Investment shareholder; and

vii. Marcus shareholder;

j. Ross Capawana ("Capawana"), who is named as a co-conspirator but not as a defendant herein, was paid as a "consultant" by Windham for performing personal services for Giacomaro;

k. Peter Dobbins ("Dobbins"), who is named as a co-conspirator but not as a defendant herein, was employed as an accountant at Wellesley Services and in that position was responsible for maintaining the books and records of Wellesley Services as well as those of its affiliated companies, including Windham;

l. "R.A.," who is named as a co-conspirator but not as a defendant herein, was the Vice President, Accounting, for Wellesley Services and in that position was responsible for overseeing the activities of Wellesley Services' accounting department, including the maintenance of the books and records of Wellesley Services as well as those of its affiliated companies, including Windham; and

m. Various private individuals located inside and outside New Jersey (collectively, the "Investors" or the "Wellesley Investors") were private individuals who were solicited to invest in deals arranged by the Wellesley Entities.

The Conspiracy

2. From in or about 1995 to in or about September 2001, in the District of New Jersey and elsewhere, defendants

ANTHONY BIANCO and
KEITH MOODY

did knowingly and willfully conspire with each other and others to execute a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, (a) by placing in a post office and authorized depository for mail matter a matter and thing to be sent and delivered by the Postal Service and depositing and causing to be deposited a matter and thing to be sent and delivered by private and commercial interstate carrier, contrary to Title 18, United States Code, Section 1341; and (b) by transmitting and causing to be transmitted by means of wire communications in interstate commerce certain writings, signs, signals, pictures, and sounds, contrary to Title 18, United States Code, Section 1343.

The Object of the Conspiracy

3. The object of the conspiracy was to fraudulently induce the Investors to invest in deals arranged by the Wellesley Entities and then divert Investor funds for the personal benefit of the co-conspirators.

The Means of the Conspiracy

4. Among the means employed by the defendants and their co-conspirators to carry out the conspiracy and to effect its unlawful objects were the following:

a. Beginning in or about 1995, Giacomaro created the Wellesley Entities, including Wellesley Services, Wellesley Energy, Consolidated Transport, Windham and Marcus Industries, in order to solicit investor funds and divert the proceeds to himself and his co-conspirators.

b. From in or about 1995 to in or about 2001, Giacomaro, defendants ANTHONY BIANCO and KEITH MOODY and other co-conspirators marketed the following purported deals to the Investors:

i. In or about 1995, a deal to acquire and consolidate small solid waste companies involving an initial public offering of Wellesley Group stock;

ii. In or about 1998, a deal to broker the acquisition of small solid waste companies;

iii. In or about 1999, a deal to acquire and consolidate residential heating oil companies, through Wellesley Energy; and

iv. In or about 2000, a deal to consolidate regional freight transportation companies through Consolidated Transport.

c. From in or about 1995 to in or about 2001, Giacomaro, defendants ANTHONY BIANCO and KEITH MOODY and other co-conspirators, in connection with the purported deals described above, offered the Investors the following in exchange for the Investors' contribution of funds:

i. Promissory notes guaranteeing a 15 percent return to the Investor, payable either at the time of an Initial Public Offering ("IPO") or on certain other dates relating to the deals;

ii. Promissory notes guaranteeing not only a 15 percent rate of return but also a premium payment equal to 50 percent of the Investor's principal investment amount; and

iii. Limited liability interests in Wellesley Services.

d. From in or about 1995 to in or about 2001, defendants ANTHONY BIANCO and KEITH MOODY and other co-conspirators concealed from the Investors Giacomaro's role in the Wellesley Entities so that the Investors would not learn of Giacomaro's criminal background. Among other acts of concealment, the co-conspirators prepared and concealed from the Investors an "Ownership and Management Agreement" expressly setting forth Giacomaro's "complete and total, ownership, control, and management" of various Wellesley Entities and the agreement of defendants BIANCO and MOODY to hold "established public roles as ostensible owners, officers, directors, and managers of the Wellesley Companies while [Giacomaro] continues to serve publicly as the Wellesley Companies' advisor and consultant and as their behind-the-scenes manager, director, and owner."

e. From in or about 1995 to in or about 2001, defendants ANTHONY BIANCO and KEITH MOODY and other co-

conspirators made additional false and misleading representations and omissions to the Investors regarding the purported deals described above in order to persuade the Investors to invest funds in the Wellesley Entities. Specifically, defendants BIANCO and MOODY and other co-conspirators falsely represented to Investors that the funds that they invested would be used to complete the purported deals, when, in fact, the funds would be diverted and used for the personal benefit of Giacomaro, defendants BIANCO and MOODY, and other co-conspirators.

f. In response to these misrepresentations and omissions, approximately 200 Investors invested approximately \$73 million in the Wellesley Entities from in or about 1995 to in or about September 2001. In addition, the Wellesley Entities during this period received an additional approximately \$25 million in revenues, consisting of fees earned in connection with the partial completion of one of the purported deals and a deposit on the anticipated completion of a second deal.

g. Instead of using the Investors' funds and company revenues to complete the purported deals, Giacomaro, defendants ANTHONY BIANCO and KEITH MOODY, and other co-conspirators diverted these monies and used them for their own personal benefit. Specifically, from in or about 1995 to in or about September 2001, Giacomaro, defendants ANTHONY BIANCO and KEITH MOODY, and other co-conspirators made and caused to be made the following expenditures of Investor funds:

i. The transfer of tens of millions of dollars in Investor funds into accounts held by Windham and Marcus for subsequent disbursement to Giacomaro and other co-conspirators;

ii. The payment, by wire transfer, of approximately \$5.8 million in credit card charges incurred for the personal benefit of Giacomaro and other co-conspirators for items such as luxury hotel stays, fine jewelry, expensive clothes, and cars;

iii. The payment from the Windham accounts of approximately \$540,000 in Investor funds for the rental of a luxury multi-million dollar home and additional housing in Delray Beach, Florida, for Giacomaro and his family and for employees, including a chauffeur, cook, housekeepers, nannies, and a person whose job was to warn strollers to stay off Giacomaro's private beach;

iv. The use of Investor funds to purchase real estate properties for Giacomaro's private use at 78 Fox Hedge Road, 85 Fox Hedge Road, and 91 Fox Hedge Road, all in Saddle River, New Jersey, for purchase prices of \$2.4 million, \$1.8 million, and \$2 million, respectively, and the diversion of an additional \$5 million in Investor funds to pay for renovations to and other expenses for these properties;

v. The disbursement to defendant ANTHONY BIANCO of at least approximately \$776,000 in "consulting fees"

paid to defendant BIANCO through AKB Associates, Inc., in addition to his regular salary;

vi. The disbursement to defendant KEITH MOODY of at least approximately \$1.7 million in "consulting fees" paid to defendant MOODY through SRM Associates, Inc., in addition to his regular salary;

vii. The payment of approximately \$780,000 toward the purchase of a luxury home for defendant ANTHONY BIANCO and the payment of approximately \$800,000 toward the purchase of a luxury home for defendant KEITH MOODY;

viii. The issuance of approximately \$1.2 million in Wellesley Services and Windham checks to co-conspirator Capawana, who then cashed these checks and provided the proceeds to Giacomaro; and

ix. The diversion of approximately \$1.1 million from the Windham accounts to satisfy a criminal restitution order owed by Giacomaro personally in connection with prior fraudulent conduct.

h. In order to conceal from the Investors these diversions of Investor Funds, and in order to conceal from the Internal Revenue Service the resulting income to the co-conspirators, defendant ANTHONY BIANCO caused co-conspirators R.A. and Dobbins to enter these expenditures on the Wellesley Entities' books as payments for legitimate business expenses, whereas in fact they were payments for wholly personal benefits to the co-conspirators.

i. In order to further conceal these diversions of Investor Funds from the Investors, and in order to execute the scheme to defraud, Giacomaro, defendant KEITH MOODY, and other co-conspirators caused the following items to be sent to the Investors by U.S. Mail and Federal Express:

i. On or about June 28, 2001, a letter from defendant MOODY requesting that the Investors extend the time when return on their investments would be due and representing that the extension "will enhance our efforts to complete the projects" and that the Investors would be repaid on September 30, 2001; and

ii. On or about September 25, 2001, a letter from defendant MOODY representing that the "terrible tragedy at the World Trade Center, Pentagon and Shanksville, Pennsylvania" had caused delays in the purported deals and requesting that the Investors extend the time when return on their investments would be due until December 31, 2001.

Overt Acts

5. In furtherance of the conspiracy, and in order to effect the object thereof, defendants ANTHONY BIANCO and KEITH MOODY and one or more of their co-conspirators committed, and caused to be committed, the following acts in the District of New Jersey and elsewhere:

a-b. On or about the dates set forth below, defendant KEITH MOODY deposited and caused to be deposited the following matters and things to be sent and delivered by the Postal Service and private and commercial interstate carrier:

OVERT ACT	DATE	MAILING
5a	6/28/01	Letter to the Investors requesting that the Investors extend the time when return on their investments would be due and representing that the extension "will enhance our efforts to complete the projects" and that the Investors would be repaid on September 30, 2001
5b	9/25/01	Letter to the Investors representing that the "terrible tragedy at the World Trade Center, Pentagon and Shanksville, Pennsylvania" had caused delays in the purported deals and requesting that the Investors extend the time when return on their investments would be due until December 31, 2001.

c-h. On or about the dates set forth below, defendant ANTHONY BIANCO transmitted, and caused to be transmitted, the following wire transfers of funds from the Wellesley Entities:

OVERT ACT	DATE OF WIRE TRANSFER	AMOUNT OF WIRE TRANSFER	SOURCE OF WIRE TRANSFER	RECIPIENT OF WIRE TRANSFER
5c	11/22/00	\$20,000	Marcus Industries, Inc. (Fleet Bank, Bergenfield, N.J.)	American Express (Chase Manhattan Bank, New York, N.Y.)
5d	11/22/00	\$7,500	Marcus Industries, Inc. (Fleet Bank, Bergenfield, N.J.)	American Express (Chase Manhattan Bank, New York, N.Y.)
5e	11/22/00	\$5,000	Marcus Industries, Inc. (Fleet Bank, Bergenfield, N.J.)	American Express (Chase Manhattan Bank, New York, N.Y.)
5f	11/22/00	\$4,000	Marcus Industries, Inc. (Fleet Bank, Bergenfield, N.J.)	American Express (Chase Manhattan Bank, New York, N.Y.)
5g	11/22/00	\$4,000	Marcus Industries, Inc. (Fleet Bank, Bergenfield, N.J.)	American Express (Chase Manhattan Bank, New York, N.Y.)
5h	11/22/00	\$2,500	Marcus Industries, Inc. (Fleet Bank, Bergenfield, N.J.)	American Express (Chase Manhattan Bank, New York, N.Y.)

All in violation of Title 18, United States Code,
Section 371.

COUNTS TWO AND THREE
(Mail Fraud)
(Defendant MOODY)

1. Paragraphs 1 and 3 through 4 of Count One of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about the dates set forth below, in the District of New Jersey and elsewhere, defendant

KEITH MOODY

having knowingly and willfully devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, did, for the purpose of executing and attempting to execute this scheme and artifice to defraud, place in a post office and authorized depository for mail matter to be sent and delivered by the Postal Service and deposit and cause to be deposited to be sent by private and commercial interstate carrier the following matter and things:

COUNT	DATE	MAILING
TWO	6/28/01	Letter to the Investors requesting that the Investors extend the time when return on their investments would be due and representing that the extension "will enhance our efforts to complete the projects" and that the Investors would be repaid on September 30, 2001

THREE	9/25/01	Letter to the Investors representing that the "terrible tragedy at the World Trade Center, Pentagon and Shanksville, Pennsylvania" had caused delays in the purported deals and requesting that the Investors extend the time when return on their investments would be due until December 31, 2001.
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In violation of Title 18, United States Code, Sections 1341 and 2.

COUNTS FOUR THROUGH NINE
(Wire Fraud)
(Defendant BIANCO)

1. Paragraphs 1 and 3 through 4 of Count One of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about the dates set forth below, in the District of New Jersey and elsewhere, defendant

ANTHONY BIANCO

having knowingly and willfully devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire communications in interstate commerce the following writings, signs, signals and sounds, for the purpose of executing such scheme and artifice to defraud:

COUNT	DATE OF WIRE TRANSFER	AMOUNT OF WIRE TRANSFER	SOURCE OF WIRE TRANSFER	RECIPIENT OF WIRE TRANSFER
FOUR	11/22/00	\$20,000	Marcus Industries, Inc. (Fleet Bank, Bergenfield, N.J.)	American Express (Chase Manhattan Bank, New York, N.Y.)
FIVE	11/22/00	\$7,500	Marcus Industries, Inc. (Fleet Bank, Bergenfield, N.J.)	American Express (Chase Manhattan Bank, New York, N.Y.)
SIX	11/22/00	\$5,000	Marcus Industries, Inc. (Fleet Bank, Bergenfield, N.J.)	American Express (Chase Manhattan Bank, New York, N.Y.)

SEVEN	11/22/00	\$4,000	Marcus Industries, Inc. (Fleet Bank, Bergenfield, N.J.)	American Express (Chase Manhattan Bank, New York, N.Y.)
EIGHT	11/22/00	\$4,000	Marcus Industries, Inc. (Fleet Bank, Bergenfield, N.J.)	American Express (Chase Manhattan Bank, New York, N.Y.)
NINE	11/22/00	\$2,500	Marcus Industries, Inc. (Fleet Bank, Bergenfield, N.J.)	American Express (Chase Manhattan Bank, New York, N.Y.)

In violation of Title 18, United States Code, Sections
1343 and 2.

COUNT TEN
(Bank Fraud)
(Defendant BIANCO)

1. Paragraphs 1 and 3 through 4 of Count One of this Indictment are realleged and incorporated as though set forth in full herein.

2. At all times relevant to this Count, Fleet Bank, N.A. ("Fleet") was a financial institution within the meaning of Title 18, United States Code, Section 20, and maintained a branch on Washington Avenue in Bergenfield, New Jersey (the "Bergenfield branch").

3. On or about January 27, 2000, "D.H.," the wife of Thomas Giacomaro, executed a mortgage loan agreement with Fleet in the amount of \$750,000. The agreement was secured by the real estate property located at 78 Fox Hedge Road, Saddle River, New Jersey, which was conveyed to D.H. on the same date by defendant ANTHONY BIANCO, as Managing Member of Inspirational Properties, LLC.

4. In support of D.H.'s loan agreement with Fleet, defendant ANTHONY BIANCO submitted to Fleet false and fraudulent tax returns, pay stubs, and a "Statement of Financial Condition" for D.H. These documents falsely indicated that D.H. was a Windham employee who received an annual salary of at least approximately \$467,500 per year during 1999; that she was the 100 percent owner of Marcus; that Marcus had approximately \$1.7 million in income during 1998; and that D.H. had a net worth of approximately \$21.94 million as of May 31, 1999. In fact, D.H.

was not employed by any of the Wellesley Entities, and lived solely on the income that her husband, Giacomaro, siphoned through fraudulent means from the Wellesley Investors.

5. Fleet issued the \$750,000 mortgage loan to D.H. based in part on defendant ANTHONY BIANCO's false representations about D.H.'s income and assets and the false and fraudulent financial documentation provided by defendant BIANCO in support thereof.

6. On or about January 27, 2000, in the District of New Jersey, and elsewhere, defendant

ANTHONY BIANCO

did knowingly and willfully execute and attempt to execute a scheme and artifice to defraud a financial institution, namely Fleet Bank, N.A., and to obtain money and property under the custody and control of that financial institution by means of materially false and fraudulent pretenses, representations and promises, by preparing and causing to be prepared, and submitting and causing to be submitted to the financial institution, false and fraudulent financial documents in support of a mortgage loan.

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT ELEVEN
(Conspiracy to Defraud the United States)
(All Defendants)

1. Paragraphs 1 and 3 through 4 of Count One and Paragraphs 2 through 5 of Count Ten of this Indictment are realleged and incorporated as though set forth in full herein.

2. From in or about 1995 to in or about September 2004, in the District of New Jersey and elsewhere, defendants

ANTHONY BIANCO and
KEITH MOODY

did knowingly and willfully conspire with each other and others to defraud the United States by impeding, impairing, obstructing and defeating the lawful governmental functions of the Internal Revenue Service of the United States Department of the Treasury to ascertain, compute, assess and collect taxes.

Object of the Conspiracy

3. The principal object of the conspiracy was for defendants ANTHONY BIANCO and KEITH MOODY and other co-conspirators to conceal taxable income from the Internal Revenue Service by (a) falsely disguising payments made to them by the Wellesley Entities as legitimate business expenses for "consulting" services; and (b) concealing from the United States the income received from these payments, either by failing to report the payments as income at all or by fraudulently inflating or falsifying "business expenses" that purported to offset these payments on the co-conspirators' tax returns.

Means and Methods of Achieving the Object of the Conspiracy

4. Among the means employed by defendants ANTHONY BIANCO and KEITH MOODY and their co-conspirators to carry out the conspiracy and to effect its unlawful objects were the following:

a. From in or about 1997 to in or about 2001, defendant ANTHONY BIANCO was the owner, sole shareholder, and sole known employee of AKB Associates, Inc. ("AKB"), the address for which entity was defendant BIANCO's residence in Paterson, New Jersey;

b. From in or about 1996 to in or about 2001, defendant KEITH MOODY was the owner, sole shareholder, and sole known employee of SRM Associates, Inc. ("SRM"), the address for which entity was defendant MOODY's residence in Franklin Lakes, New Jersey;

c. From in or about 1999 to in or about 2001, AKB received more than \$776,000 and SRM received more than \$1.7 million in "consulting fees" from the Wellesley Entities;

d. From in or about 1999 to in or about 2001, defendant ANTHONY BIANCO spent in excess of \$2 million from AKB's bank accounts on expenditures of a personal nature, including approximately \$1.3 million in checks made payable to himself or to "cash," approximately \$41,000 to furnish his home, and approximately \$22,000 for landscaping services at his personal residence, among other expenditures;

e. From in or about 1999 to in or about 2001, defendant KEITH MOODY spent in excess of \$1 million from SRM's

bank accounts on expenditures of a personal nature, including approximately \$181,000 in checks made payable to himself or to his wife, approximately \$76,000 in payments to American Express, approximately \$451,000 for the installation of a pool and approximately \$233,000 for landscaping services at his personal residence, among other expenditures;

f. From in or about 1998 to in or about 1999, defendant ANTHONY BIANCO received approximately \$780,000 and defendant KEITH MOODY received approximately \$800,000 from the Wellesley Entities for the purchase of luxury homes intended to serve as their personal residences;

g. From in or about 1995 to in or about 2001, co-conspirator Giacomaro received from the Wellesley Entities approximately \$5.8 million in payment of Giacomaro's personal credit card bills; approximately \$540,000 for the rental of a luxury home and additional housing and staff in Delray Beach, Florida; approximately \$6.2 million for the purchase of real estate properties in Saddle River, New Jersey, and an additional approximately \$5 million for renovations to and other expenses for these properties; approximately \$1.2 million in cash received through checks issued to co-conspirator Capawana, who then cashed the checks and provided the proceeds to Giacomaro; and approximately \$1.1 million to satisfy a criminal restitution order owed by Giacomaro personally;

h. In order to achieve the object of the conspiracy and conceal this income from the Internal Revenue

Service, defendant ANTHONY BIANCO caused co-conspirators R.A. and Dobbins to make entries in the books and records of Wellesley Services and Windham that falsely identified the disbursements made for the personal benefit of defendants BIANCO and MOODY as disbursements for "office expenses" or "consulting"; and

i. Between in or about 1995 and in or about 2001, defendants ANTHONY BIANCO and KEITH MOODY, co-conspirator Giacomaro, and other co-conspirators concealed their true income from the Internal Revenue Service, either by filing personal income tax returns that deliberately understated the income specified above or that inflated or falsified business expenses in an effort to offset reported income, or by failing to file returns at all.

Overt Acts

5. In furtherance of the conspiracy, and in order to effect the object thereof, defendants ANTHONY BIANCO and KEITH MOODY and one or more of their co-conspirators committed, and caused to be committed, the following acts in the District of New Jersey and elsewhere:

a-b. On or about the dates set forth below, AKB received from the Wellesley Entities payments in the following amounts, purportedly as "consulting fees," in addition to defendant BIANCO's regular salary:

OVERT ACT	TAX YEAR	TOTAL PAYMENTS (APPROXIMATE)
5a	2000	\$182,499
5b	2001	\$434,000

c-d. On or about the dates set forth below, SRM received from the Wellesley Entities payments in the following amounts, purportedly as "consulting fees," in addition to defendant MOODY's regular salary:

OVERT ACT	TAX YEAR	TOTAL PAYMENTS (APPROXIMATE)
5c	2000	\$557,917
5d	2001	\$218,700

e-g. On or about the dates set forth below, defendants ANTHONY BIANCO and KEITH MOODY issued and caused to be issued the following payments to members of the conspiracy, and recorded and caused to be recorded those payments in the books and records of the Wellesley Entities in the following manner:

OVERT ACT	DATE	PAYMENT	MANNER RECORDED IN BOOKS
5e	12/15/00	Windham Associates, Inc. check number 13774, made payable to "Ross Capawana" in the amount of \$3,250	"Consulting"
5f	1/16/01	Wellesley Services, Inc. check number 3553, made payable to SRM Associates, Inc. in the amount of \$14,583.33	"Consulting SRM"
5g	2/22/01	Windham Associates, Inc. check number 1432, made payable to AKB Associates, Inc. in the amount of \$15,000	"Consulting AKB"

All in violation of Title 18, United States Code,
Section 371.

COUNT TWELVE
(Tax Evasion: 1999)
(Defendant BIANCO)

1. Paragraphs 1 and 3 through 4 of Count One, Paragraphs 2 through 5 of Count Ten, and Paragraphs 3 through 4 of Count Eleven of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about January 16, 2001, defendant ANTHONY BIANCO signed, filed and caused to be filed with the Internal Revenue Service a U.S. Individual Income Tax Return on Form 1040 for tax year 1999, reporting total income in the amount of \$261,056, claiming deductions in the amount of \$19,014, and reporting a total taxable income of \$241,873. Defendant BIANCO did so knowing that these amounts substantially understated his actual income and therefore the tax due and owing for tax year 1999.

3. Specifically, the return did not include approximately \$780,000 received by defendant ANTHONY BIANCO during tax year 1999 as payment for a luxury home, nor did it include other payments disguised as "consulting fees" received by defendant BIANCO through AKB. Upon this additional income, an additional tax was due and owing by defendant BIANCO to the United States in the amount of \$360,618.

4. On or about January 16, 2001, in Paterson, in the District of New Jersey and elsewhere, defendant

ANTHONY BIANCO

knowingly and willfully did attempt to evade and defeat a substantial part of the income tax due and owing by him to the United States for tax year 1999 by filing a false and fraudulent 1999 U.S. Individual Income Tax Return on Form 1040, as described in Paragraph 2 of this Count, knowing it to be false and fraudulent as to material matters, as described in Paragraph 3 of this Count.

In violation of Title 26, United States Code, Section 7201.

COUNT THIRTEEN
(Tax Evasion: 2000)
(Defendant BIANCO)

1. Paragraphs 1 and 3 through 4 of Count One, Paragraphs 2 through 5 of Count Ten, and Paragraphs 3 through 4 of Count Eleven of this Indictment are realleged and incorporated as though set forth in full herein.

2. In or about 2000, defendant ANTHONY BIANCO received through AKB a total of approximately \$182,499, disguised as "consulting fees," in addition to defendant BIANCO's regular salary of \$239,153.

3. Based on the combination of these "consulting fees," defendant ANTHONY BIANCO's regular salary, and other sources, less allowable deductions, defendant BIANCO had at least approximately \$394,426 in total income during tax year 2000. On that income, a tax of approximately \$56,876 was due and owing to the United States.

4. At no time on or before April 16, 2001, did defendant ANTHONY BIANCO file a United States Individual Income Tax Return for tax year 2000.

5. On or about June 28, 2004, knowing that he was under criminal investigation, defendant ANTHONY BIANCO signed and attempted to file with the Internal Revenue Service a delinquent U.S. Individual Income Tax Return on Form 1040 for tax year 2000 that reported total income in the amount of \$1,037,715, claimed deductions in the amount of \$14,624, and reported a total taxable income of \$1,012,644. Despite reporting tax due and owing to the

United States in the amount of \$319,656, defendant BIANCO did not make any payment in conjunction with this attempted return.

6. On or about September 2, 2004, knowing that he was under criminal investigation, defendant ANTHONY BIANCO signed and attempted to file with the Internal Revenue Service a delinquent Amended U.S. Individual Income Tax Return on Form 1040X for tax year 2000 that reduced the total income reported for that year to \$374,577, increased the deductions claimed to \$34,519, and reduced the total taxable income reported to \$329,611. Despite reporting tax due and owing to the United States in the amount of \$49,103, defendant BIANCO did not make any payment in conjunction with this attempted amended return.

7. On or about April 16, 2001, in Paterson, in the District of New Jersey and elsewhere, defendant

ANTHONY BIANCO

knowingly and willfully did attempt to evade and defeat a substantial part of the income tax due and owing by him to the United States for tax year 2000 by disguising income as "consulting fees" paid to AKB and failing to report it to the United States, as described in Paragraphs 2 through 6 of this Count.

In violation of Title 26, United States Code, Section 7201.

COUNT FOURTEEN
(Tax Evasion: 2001)
(Defendant BIANCO)

1. Paragraphs 1 and 3 through 4 of Count One, Paragraphs 2 through 5 of Count Ten, and Paragraphs 3 through 4 of Count Eleven of this Indictment are realleged and incorporated as though set forth in full herein.

2. In or about 2001, defendant ANTHONY BIANCO received through AKB a total of approximately \$434,000, disguised as "consulting fees," in addition to defendant BIANCO's regular salary of \$154,276.

3. Based on the combination of these "consulting fees," defendant ANTHONY BIANCO's regular salary, and other sources, less allowable deductions, defendant BIANCO had at least approximately \$574,159 in total income during tax year 2001. On that income, a tax of approximately \$152,746 was due and owing to the United States.

4. At no time on or before April 15, 2002, did defendant ANTHONY BIANCO file a United States Individual Income Tax Return for tax year 2001.

5. On or about April 15, 2002, in Paterson, in the District of New Jersey and elsewhere, defendant

ANTHONY BIANCO

knowingly and willfully did attempt to evade and defeat a substantial part of the income tax due and owing by him to the United States for tax year 2001 by disguising income as "consulting fees" paid to AKB and failing to report it to the

United States, as described in Paragraphs 2 through 4 of this Count.

In violation of Title 26, United States Code, Section 7201.

COUNT FIFTEEN
(Tax Evasion: 1999)
(Defendant MOODY)

1. Paragraphs 1 and 3 through 4 of Count One, Paragraphs 2 through 5 of Count Ten, and Paragraphs 3 through 4 of Count Eleven of this Indictment are realleged and incorporated as though set forth in full herein.

2. In or about 1999, defendant KEITH MOODY received through SRM a total of approximately \$989,500, disguised as "consulting fees," in addition to defendant MOODY's regular salary of \$78,000.

3. Based on the combination of these "consulting fees," defendant KEITH MOODY's regular salary, and other sources, less allowable deductions, defendant MOODY had at least approximately \$1,045,081 in total income during tax year 1999. On that income, a tax of approximately \$382,581 was due and owing to the United States.

4. At no time on or before April 17, 2000, did defendant KEITH MOODY file a United States Individual Income Tax Return for tax year 1999.

5. On or about April 17, 2000, in Franklin Lakes, in the District of New Jersey and elsewhere, defendant

KEITH MOODY

knowingly and willfully did attempt to evade and defeat a substantial part of the income tax due and owing by him to the United States for tax year 1999 by disguising income as "consulting fees" paid to SRM and failing to report it to the

United States, as described in Paragraphs 2 through 4 of this Count.

In violation of Title 26, United States Code, Section 7201.

COUNT SIXTEEN
(Tax Evasion: 2000)
(Defendant MOODY)

1. Paragraphs 1 and 3 through 4 of Count One, Paragraphs 2 through 5 of Count Ten, and Paragraphs 3 through 4 of Count Eleven of this Indictment are realleged and incorporated as though set forth in full herein.

2. In or about 2000, defendant KEITH MOODY received through SRM a total of approximately \$557,917, disguised as "consulting fees," in addition to defendant MOODY's regular salary of \$67,248.

3. Based on the combination of these "consulting fees," defendant KEITH MOODY's regular salary, and other sources, less allowable deductions, defendant MOODY had at least approximately \$592,192 in total income during tax year 2000. On that income, a tax of approximately \$200,899 was due and owing to the United States.

4. At no time on or before April 16, 2001, did defendant KEITH MOODY file a United States Individual Income Tax Return for tax year 2000.

5. On or about April 16, 2001, in Franklin Lakes, in the District of New Jersey and elsewhere, defendant

KEITH MOODY

knowingly and willfully did attempt to evade and defeat a substantial part of the income tax due and owing by him to the United States for tax year 2000 by disguising income as "consulting fees" paid to SRM and failing to report it to the

United States, as described in Paragraphs 2 through 4 of this Count.

In violation of Title 26, United States Code, Section 7201.

COUNT SEVENTEEN
(Tax Evasion: 2001)
(Defendant MOODY)

1. Paragraphs 1 and 3 through 4 of Count One, Paragraphs 2 through 5 of Count Ten, and Paragraphs 3 through 4 of Count Eleven of this Indictment are realleged and incorporated as though set forth in full herein.

2. In or about 2001, defendant KEITH MOODY received through SRM a total of approximately \$218,700, disguised as "consulting fees," in addition to defendant MOODY's regular salary of \$32,600.

3. Based on the combination of these "consulting fees," defendant KEITH MOODY's regular salary, and other sources, less allowable deductions, defendant MOODY had at least approximately \$206,313 in total income during tax year 2001. On that income, a tax of approximately \$61,288 was due and owing to the United States.

4. At no time on or before April 15, 2002, did defendant KEITH MOODY file a United States Individual Income Tax Return for tax year 2001.

5. On or about April 15, 2002, in Franklin Lakes, in the District of New Jersey and elsewhere, defendant

KEITH MOODY

knowingly and willfully did attempt to evade and defeat a substantial part of the income tax due and owing by him to the United States for tax year 2001 by disguising income as "consulting fees" paid to SRM and failing to report it to the United States, as described in Paragraphs 2 through 4 of this Count.

In violation of Title 26, United States Code, Section 7201.

A TRUE BILL

FOREPERSON

CHRISTOPHER J. CHRISTIE
United States Attorney